

Press Release

Brussels, 22 September 2017

Sustainable finance – a natural model for mutual insurers

The Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE), together with its global organisation, the International Cooperative and Mutual Insurance Federation (ICMIF), welcome the interim report, “*Financing a Sustainable European Economy*”, published by the High Level Expert Group on sustainable finance (HLEG) and congratulates the authors on their analysis. We fully support the conclusions identifying many key issues which could help move the EU towards a truly sustainable financial system.

AMICE has responded to the HLEG’s recent questionnaire on its interim report, highlighting diversity in the financial sector and the long-term nature of insurance relationships as crucial factors for the group to consider.

For the mutual and cooperative insurance sector in particular, it is important that diverse business models within the financial sector are recognised. These provide both stability and the avoidance of systemic risk. It is also vital that legislation takes into account the long-term focus of insurance, reflecting sustainable finance goals. The mutual/cooperative model embeds long-term relationships as a core element of their structure and operations.

In its response to the interim report, AMICE supports the need for a more standardised definition for green bonds and other sustainable assets with a clear classification system for the assets that can be considered as “sustainable”. This would avoid misuse of labels and standards, and address concerns such as “greenwashing”, where organisations promote misleading perceptions of environmentally-friendly products or policies. An EU-level standard/label should be inclusive and should not be overly restrictive since insurers have many assets to invest and the number of sustainable funds is likely to be limited.

Sarah Goddard, Secretary General of AMICE, said:

“Reducing the short-term focus imposed by regulation, for example in the treatment of equity risk under Solvency II, would enable insurers to invest sustainably.”

Notes to the editors

About AMICE (Association of Mutual Insurers and Insurance Cooperatives in Europe)

AMICE is the voice of the mutual and cooperative insurance sector in Europe. The Brussels-based association advocates for appropriate and fair treatment of all mutual and cooperative insurers in a European Single Market. It also encourages the creation and development of innovative solutions for the benefit of European citizens and society.

Mutual and cooperative insurance follows the principles of solidarity and sustainability, and is characterised by customer-membership and a democratic governance. The mutual business model, with its focus on using surpluses for the benefit of its members, is the natural way to provide insurance.

The close to 3,000 EU insurers united in the mutual and cooperative sector account for more than half of all insurance undertakings and for a market share of more than 32%. They provide cover for more than 400 million members/policyholders and employ nearly 440,000 staff.

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